Memo to File:

Rio Algom Corporation Lisbon Uranium Mill ACT/037/001 San Juan County, Utah

A telephone conversation was held this date with Bob Sullivan, geologist for Rio Algom relative to how the Division would classify his company's proposed operation to borrow tailings (sand) from the old Keystone Wallace Copper Mine in San Juan County. The company is looking at using the tailings material as fill to build up its existing tailings pond dike and as a temporary cover over its dry beach areas on its tailings ponds.

Mr. Sullivan was informed that he should submit a proposal which presents the particulars of the operation to the Division and a determination of status would be made. In addition, if significant doubt still existed within the Division staff as to the status, the Board would be consulted on the Division's recommendations.

> RONALD W. DANIELS DEPUTY DIRECTOR

RWD/btm